

# *Internship report*

*On*

## *Service Marketing of First Security Islami Bank Ltd.*



ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিঃ  
FIRST SECURITY ISLAMI BANK LTD. فارست سيكيوريטי اسلامي بنك ليميتد

**Prepared For:**

**Dr. Mohammed Tareque Aziz**  
Associate Professor  
Brac Business School  
Brac University

**Prepared By:**

Amin Ahmed  
ID No- 14164052  
Program – Master of Business Administration  
(MBA) Major- Marketing



Inspiring Excellence

**BRAC University**

## **Acknowledgement**

At the beginning, I offer my sincere gratitude and thanks to Dr. Mohammed Tareque Aziz (Associate Professor of Relationship Marketing & Retailing) BRAC University, whose inspiring guidance and valuable suggestions made this report possible.

I also express my gratitude to Mr. Mintu Talukdar (FAVP & In charge of Operation) of First Security Islami Bank Limited for their keen interest and support to my practical orientation.

Finally, I would like to thank all staff and employees of First Security Islami Bank Limited for supporting me in all possible way.

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# Chapter-1

## INTRODUCTION

### **Introduction:**

Islami Banking is a new type of banking that operates on principles adhering to the Quranic norms forbidding usury and transactions, including granting of loans or credits for interest. The economic rationale for eliminating riba (interest) and establishing the Islamic banking system is based on values of justice, efficiency, stability and growth. It is assumed that under the system of Islamic banking, the industrial and/or commercial risk is shared more equitably between the entrepreneur and the capital owner, and the returns on investment are shared among the investors on the basis of their proportionate capital. The conventional banks tend to serve the most creditworthy borrowers, while the Islamic banking system looks for the most productive and profitable projects. The Islamic banking approach theoretically opposes the idea of discrimination in offering banking services to people of different social standings and provides for social cohesion between different classes.

Islamic banking refers to a system of banking that is consistent with the principles of Islamic law (Sharia) and its practical application through the development of Islamic economics. Sharia prohibits the payment or acceptance of interest fees for the lending and accepting of money respectively. In other words, as a Shariah-based firm, Islamic banks need to fulfill social obligations that go beyond the conventional capitalist worldview aiming at only maximizing profits.

### **The Origin of Islamic Banking:**

The origins of Islamic banking can be traced back to the practice of mudaraba by the Prophet Muhammad (Sm) himself. The Prophet (Sm) was mudarib (agent) for his wife, who entrusted her capital or merchandise to him for trading and got back the principal plus an agreed share of the profit. As a reward for his labor (and entrepreneurship), the Prophet (mudarib) received his share of the same. The mudarib, However, was not liable for losses resulting from the exigencies of travel or from an unsuccessful business venture. This form of partnership is called mudaraba. There is another form of partnership called musharaka, in which the musharik (agent) has a contribution to the capital and can therefore, claim a higher percentage of profit. As early as in the seventh century, the tax revenue from Iraq was sent across the desert to Medina in the form of a mudaraba. Caliph Umar is known to have invested orphans' money in merchant trading between Medina and Iraq. Musharaka partnerships Are practiced in the north-south trade between Egypt and Jeddah during the eleventh century. As many as 32 mudaraba contracts Are practiced in the 17th century in the Turkish city of Busra. Mudaraba was in practice in Tunisia, Indonesia, Arabian Peninsula and India.

### **Starting of Islamic Banking in Bangladesh:**

First, Islamic banking started in Bangladesh through establishment of the Islami Bank Bangladesh Ltd. (IBBL), which is considered to be the first interest-free bank in Southeast Asia. It was incorporated on 13 March 1983 as a public limited company under the companies act 1913. In December 2001, IBBL had 121 branches; its authorized capital was Tk 1000 million and paid up capital Tk 640 million.

Second, AL BARAKA BANK, often called the second Islamic bank of Bangladesh, commenced banking business on 20 May 1997. It is a joint-venture enterprise of Al-Baraka Investment and Development Company, a renowned financial and business house of Saudi Arabia, Islamic Development Bank, a group of eminent industrialists of Bangladesh, and the government of Bangladesh.

### **Overview of First Security Islami Bank Limited:**

First Security Islami Bank Limited (FSIBL) was incorporated in Bangladesh on 29 August 1999 as a banking company under Companies Act 1994 to carry on banking business. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business as a name of First Security Bank limited which conducted their banking operation as conventional Banking. After Nine year conventional banking operation 1st January, 2009 it converted into a fully fledged Islamic Bank rename as “First Security Islami Bank Limited. The Bank carries banking activities through its One Hundred and Forty One (141) branches throughout the country. The commercial banking activities of the bank encompass a wide range of services including accepting deposits, making investment, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit.

### **Objective of FSIBL:**

“To be a provider of high quality products and services to its potential market, the bank also caters to the needs of its corporate clients and provides a comprehensive range of financial services to national & multinational companies.

### **Vision:**

- To become the Bank of choice in serving the Nation as a progressive and Socially Responsible financial institution by bringing credit & commerce together for profit and sustainable growth.
- In accomplishing this mission, the bank has now been free from all the natures of a problem bank through fulfilling all the conditions set by the central bank. They proudly say: “FSIBL is profit making and problem free.
- To establish FSIBL as a role model in the banking sector in Bangladesh and to be a part of the national development by providing the needs of customers , to give customers inspirational strength, dependable support and the most comprehensive range of business solutions, through the team of professionals who work passionately to be outstanding in everything to do.

### **Mission:**

- To constantly seek to better serve the customers.
- Anticipating business solutions required by all FSIBL customers everywhere and innovatively supplying them beyond expectation.
- Setting industry benchmarks of world class standard in delivering customer value through our comprehensive product range, customer service and all our activities.
- Building and exciting team based working environment that will attract, develop and

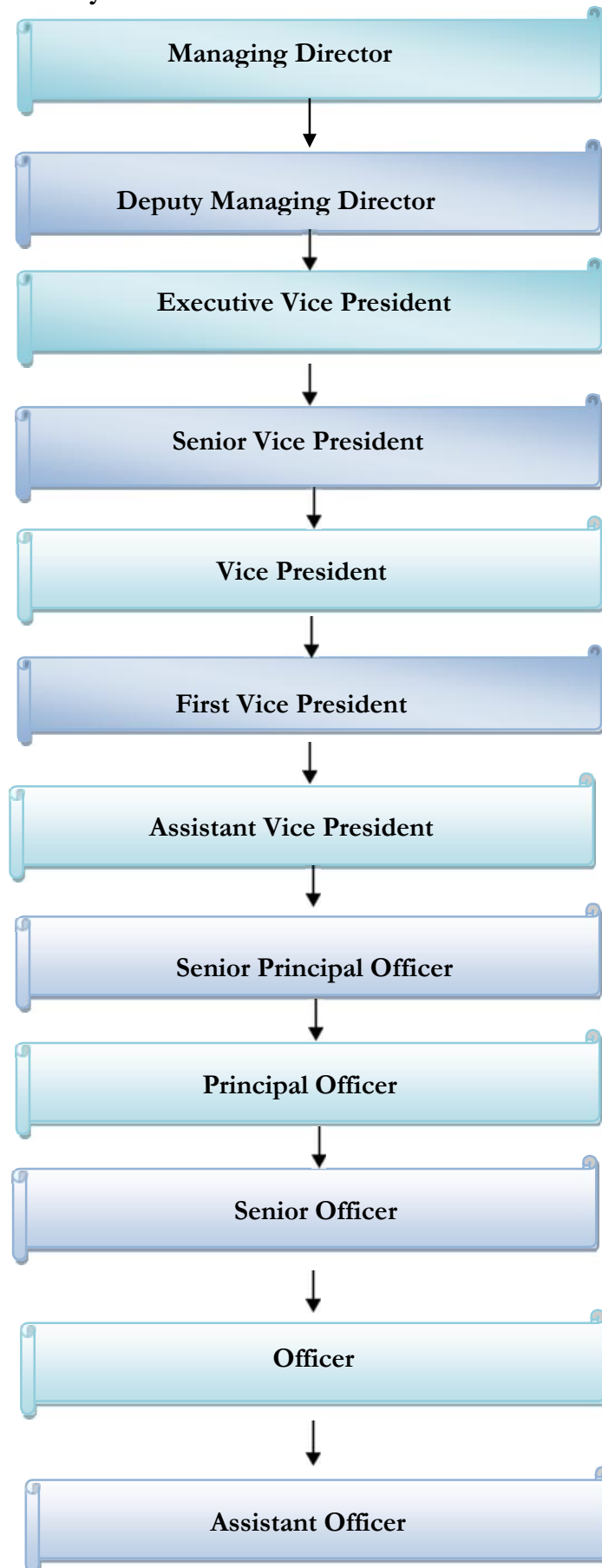
retain employees of exceptional ability who help celebrate the success of bank's business of bank's customers and of national development.

- Maintaining the highest ethical standards and a community responsibility worthy of a leading corporate citizen.
- Continuously improving productivity and profitability and thereby enhancing shareholder value.

## Corporate Information

Chairman	Mr. Mohammad Saiful Alam
Vice Chairman	Mr. Alhaj Mohammad Abdul Maleque
Managing Director (Current Charge)	Mr. Syed Waseque Md. Ali
Company Secretary	Mr. S. M. Nazrul Islam
Legal Status	Public Limited Company
Date of Incorporation	August 29, 1999
Date of Commencement of Business	August 29, 1999
Date of getting license from Bangladesh Bank	September 22, 1999
Date of Opening of First Branch	October 25, 1999
Corporate Head Office	House- SW (I) 1/A, Road-8, Gulshan-1, Dhaka-1212, Bangladesh.
Registered Office	23, Dilkusha, Dhaka-1000, Bangladesh
Line of Business	Banking
Authorized Capital	Tk.10,000 Million
Paid up Capital	Tk.4,114.38 Million
Date of consent for IPO	04 June 2008
Phone	88-02-9888446 (Hunting), 8402613-8402625 (ICT Division).
Fax	880-02-9891915

## Organization Hierarchy:





## Product & Service of FSIBL:

The bank serves all types of modern, progressive and dynamic business as well as banking services to the customers of all strata of society. During the short span of time, the Bank has been highly recognized and praised by the business community, and has emerged as the fastest growing financial institution among the third generation banks in respect of business and profitability. It has already 53 branches in different commercially important places throughout the country..

First Security Islami Bank Ltd. successfully marked its products designed to fulfill the needs of various socio-economic strata. Attractive feature of the products have given a distinctive image among the private banks. They are continuously endeavoring to offer new products and services. The Product & Services of the bank are as follows:

### Products

<b>Deposit</b>
Al-Wadiah Current Deposit
Mudarabah Savings Deposit
Mudarabah Short Term Deposit
Mudarabah Term Deposit
Consumer Finance Scheme
Monthly Savings Scheme
More than Double the deposit in 6 years
Monthly Profit Scheme

### Services

<b>Deposit</b>
Al-Wadiah Current Deposit
Mudarabah Savings Deposit
Mudarabah Short Term Deposit
Mudarabah Term Deposit
Consumer Finance Scheme
Monthly Savings Scheme
More than Double the deposit in 6 years
Monthly Profit Scheme

## Online Banking

FSIBL Online Banking includes balance inquiry, limit inquiry, profit details, term deposit details, investment repayment schedule, cheque book details, clearing, cheque status, transaction details, customer information, statement request, cancelling cheque request, address change request, cheque book requisition, password change, EMI calculator.

## Mobile Banking

Features of FSIBL Mobile Banking are convenient, faster electronic fund transfer, safe payment system, cash withdrawal, fund transfer facilities, widely available throughout the Country, simple account opening.

## SMS Banking

First Security Islami Bank comes to access banking needs from anywhere anytime. It is indeed a fast, secure, convenient and quickest way of banking. The service is available round the clock 24×7 a week. People can get real-time banking information and in touch any time with FSIBL from their mobile. They can check balance, account information, or even get mini account statements through FSIBL SMS banking service.

## ATM Banking

First Security Islami Bank Ltd. has successfully implemented Automated Teller Machine (ATM) card transaction from June 25, 2008. Through Automated Teller Machine (ATM)/Debit card, customer can avail the facilities like withdrawal money, balance inquiry and purchase goods from Point of sale (POS).

## Utility Bills

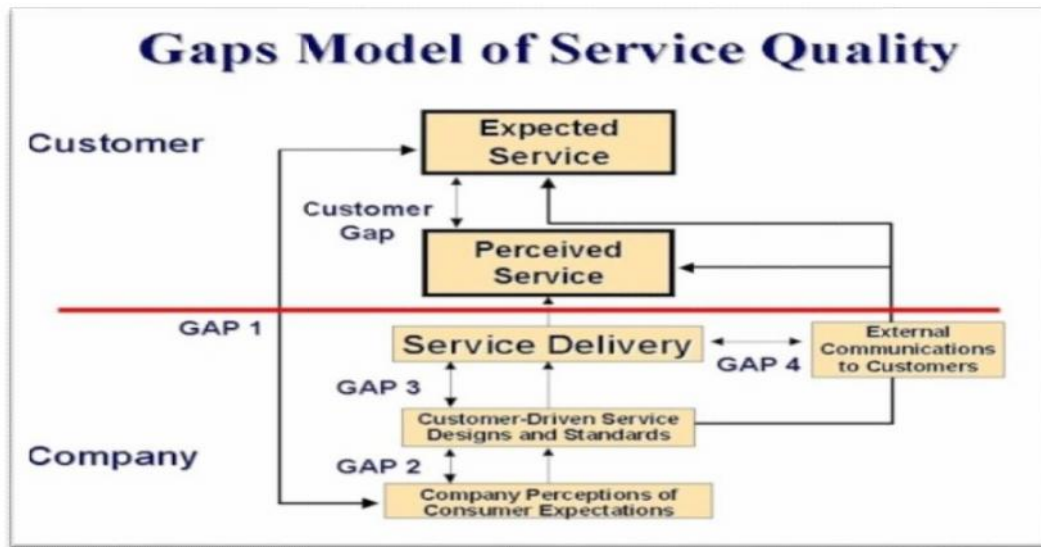
The utility bill's received following Branches

Branch Name	Bill's Type
Topkhana	Dhaka Under process (Electric bill)
Mohakhali,	Dhaka Titas Gas
Gulshan	Dhaka DESCO
Keranihat,	Chittagong Pally Biddut Shomitty
Shafipur, Gazipur	Dhaka Pally Biddut Shomitty

## Chapter-2

# THE GAPS MODEL OF SERVICE QUALITY

The fundamental focus of the gaps model is the customer gap, the difference between customer expectations and perceptions. Expectations are the reference point's customers have coming in to service experience.



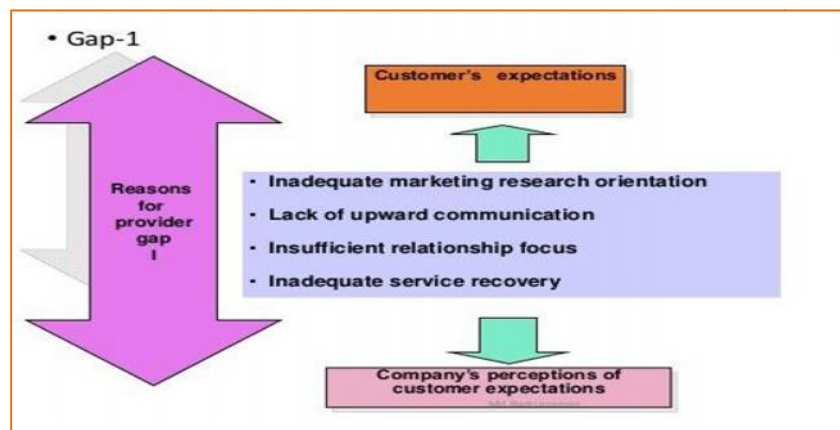
*Figure 01: The GAPS Model of Service Quality*

Perceptions reflect the service as actually received. In "A conceptual model of service quality and its implications for future research" (The Journal of Marketing, 1985), A. Parasuraman, VA Zeithaml and LL Berry identified this gap model, through which organizations seeking to meet customer's expectations of the customer experience can successfully achieve its target.

The four gaps that organizations should measure manage and minimize:

- **Provider Gap 1 (The Knowledge Gap):**

The gap between consumer expectation and management perception arises when the management or service provider does not correctly perceive what the customers want or need (Boundless Marketing, 2015).



*Figure 02: Provider Gap 1*

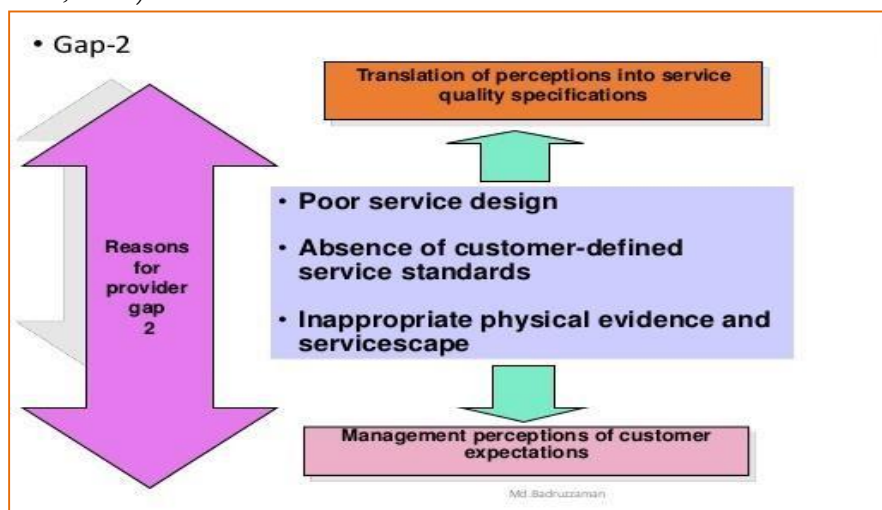
FSIBL’s market research is only getting a certain group of target buyers’ opinions, mostly industrialists rather than a broad sample so they are not really carrying out an effective market research which ultimately resulted in their failure to develop an effective business strategy for mass people. Therefore, a negative gap in customer’s expectation and perception.

**Scenario:**

Nowadays, more people are interested in Islamic banking system and shariahs. Though First Security Islamic bank are compliant with Islamic banking standards, they failed to meet customer specific requirements and expectations. They have lack of service variety to meet the expectations of different customer groups. The management is aware of increasing demand of Islamic banking among mass people but there is a lack of knowledge about customer expectations from Islamic banking products. As a result, First Security Islamic bank is capturing only a small portion of the people who are interested in Islamic banking. Though their motto is “Always for everyone”, they are failing to meet individual customer needs due to knowledge gap.

- **Provider Gap 2 (The Service Design & Standards Gap):**

Gap between management perception and the actual specification of the customer experience - Managers need to make sure the organization is defining the level of service they believe is needed (Cardozo, 1965).



*Figure 03: Provider Gap 2*

FIRST SECURITY ISLAMI BANK itself has created some obstacles to its business through its company’s terms and conditions. Individually FSIBL cannot do anything where infrastructure changes globally. Due to strong Banking guideline of Bangladesh Bank , FIRST SECURITY ISLAMI BANK requires longer period of time to provide standard customer service. So, there is absence of customer-define service standard.

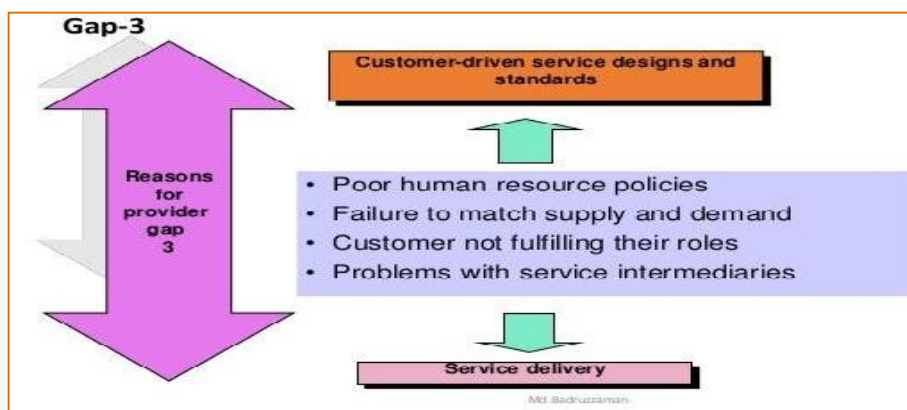
**Scenario:**

Student file processing (admission fee/tuition fee/application fee in foreign Universities) is one of the demanding areas of International Banking. Nowadays, Most of the banks have introduced specific service/branch/unit to meet this trending demand and increase customer base. Moreover, serving these customers creates future prospects of dealing foreign remittance. Unfortunately, FIRST SECURITY ISLAMI BANK doesn’t have any special desk/branch/team

to deal with student files. I have observed an incident regarding this issue during my internship time. A student named Mr. “X”, visited to the bank for student file processing service. He wanted to pay his admission fee to a renowned Malaysian University within a week. Unfortunately, the dealing officer was not clear at all about the process and misled the customer with wrong information and informed that as per the Bank Guideline it will take 14 working days to complete the payment whether the other banks are doing the same process within 3 working days. As a result, the customer availed the service from another bank.

- **Provider Gap 3 (The Service Performance Gap):**

This gap arises from a discrepancy between the experience specification and the delivery of the experience. Managers need to audit the customer experience that their organization currently delivers in order to make sure it lives up to customer expectations (Cardozo, 1965).



*Figure 04: Provider Gap 3*

FIRST SECURITY ISLAMI BANK has high-quality people working within the organization in many different roles. These vary from the front-line distribution of parcels and documents to accounts, sales and marketing functions. However, there are places, it may require supplementary skills like Persuasion Skills, Willingness to learn and Tenacity skills to bridge the gap between its existing human resources.

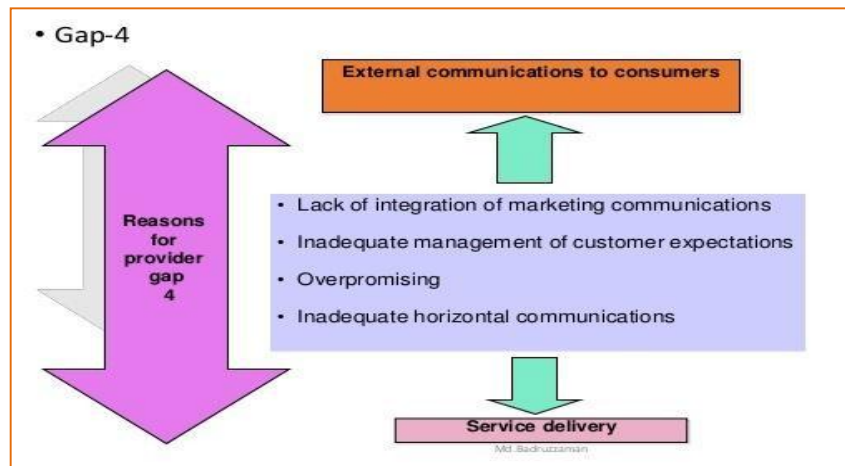
**Scenario:**

I want to rephrase the Student file scenario mentioned in Provider Gap 2 example. The customer availed the service of another bank because dealing officer was not clear at all about the process and misled the customer with wrong information. The dealing officer could have been more proactive and looked into the matter more professionally to minimize his knowledge gap as Ill as provide reasonable service to the customer.

- **Provider Gap 4 (The Communication Gap):**

All too often, organizations exaggerate what will be provided to customers, or discuss the best case rather than the likely case, raising customer expectations and ultimately harming customer perceptions (Cardozo, 1965).

FIRST SECURITY ISLAMI BANK doesn't go for aggressive promotion or campaigns. Though they have an official Face book page, but they have very less promotional campaigns over there to notify customers where customers are mostly business and export oriented people so they try to ignore mass media and try to reduce cost also.



*Figure 05: Provider Gap 4*

As a result, they are usually less quick in responding to changing customer needs and wants. Moreover, because this is a competitive segment, their market share growth is limited.

**Scenario:**

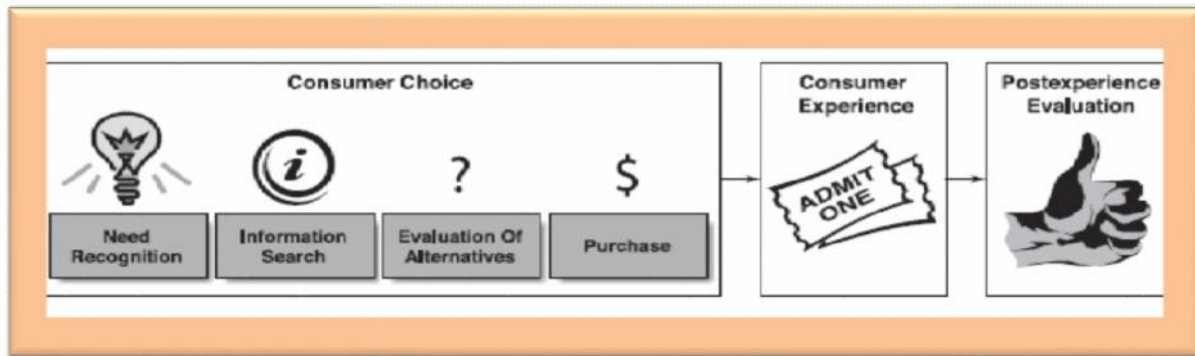
FIRST SECURITY ISLAMI BANK is introducing new Credit card service and call center with a hope to provide better customer service followed by increasing number of clients. Moreover, the bank currently provides different Islamic banking service and products (e.g. - green banking, e-banking and different investment schemes). Due to lack communication with the potential customers and promotion of their existing portfolios, people are unaware that it is a bank equipped with smart products, banking solutions and investment schemes.

The main strength of FIRST SECURITY ISLAMI BANK is compliance with Islamic banking standards and its wide extent of international affiliation. That's why people choose to consider as high quality service of FIRST SECURITY ISLAMI BANK though they have a negative gap.

## Chapter - 03

# CONSUMER BEHAVIOR IN SERVICE QUALITY

Service cannot be delivered, when I have to consume at that point service is deliver. When consume service there are some factors consider for consumer behavior. The behavioral pattern of the consumers that the marketers are concerned with that lead to a purchase of a particular service is divided into five categories:

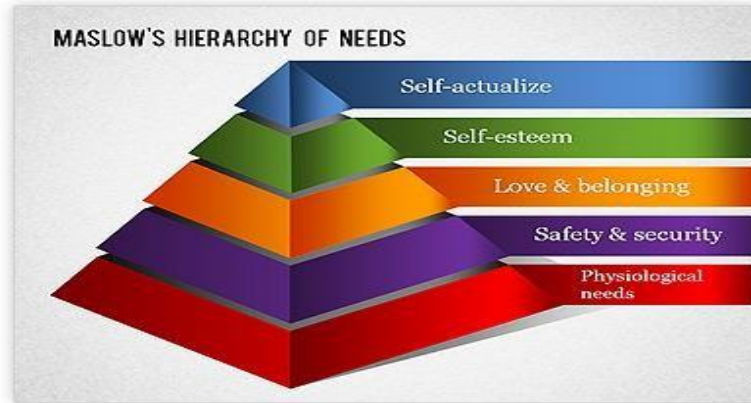


*Figure 07: Purchasing Behavior*

1. **Need Recognition:** Need recognition comes from what actually consumer can achieve. A safety & security need to do a financial transaction safely, soundly and rapidly from one place to another.
2. **Information Search:** Once customers have the need recognized, they gather information about the services that might satisfy these needs.
  - **Personal and Non-Personal Sources:** Customers take suggestion from family, friends, and colleagues as a part of information search. From different sources I came to know that most of the people know FIRST SECURITY ISLAMI BANK through family, friends, colleagues, relatives, and neighbors. There are non-personal sources can be internet/service providers and other sources.
  - **Perceived Risks:** Risk can come in the form of time risk, financial risk, social risk, performance risk or psychological risk.
3. **Evaluation of Search Alternatives:** After the information search customers have a list of similar banking services among what they tend to compare one with the other. Among all the names consumer considers their acceptance or rejection.
4. **Service Purchase:** Finally consumers make the decision to choose the most competent banking service considering the aforementioned behavioral aspects.
5. **Post Purchase Evaluation:** After taking service there are four ways consumer evaluate service- word of mouth communication, attributes of dissatisfaction, positive or negative biases and brand loyalty. After consuming the FIRST SECURITY ISLAMI BANK service, consumer might be pleased and might not be and may regret for not going to a competing service this type of behavior is called cognitive dissonance or conflict.

## Motivation Theory and Marketing Strategies:

FIRST SECURITY ISLAMI BANK according to Abraham Maslow's "Need Hierarchy Theory", there are basically five stages:



*Figure 09: Abraham Maslow's "Need Hierarchy Theory"*

### Physiological needs

These are the basic needs of air, water, food, clothing and shelter. In other words, physiological needs are the needs for fundamental services of life. FIRST SECURITY ISLAMI BANK satisfies the basic need of payment through online to his desired destination. Nowadays this can be considered as a basic amenity of life.

### Safety needs

Safety needs include physical, environmental and emotional safety and protection. For instance- job security, financial security, protection from animals, family security, health security, etc. FIRST SECURITY ISLAMI BANK always tries to ensure security and safety of the deliverable products thus it satisfies the safety needs. It uses better software (Bank Ultimas) for the security.

### Social Needs

Social needs include the need for love, affection, care, belongingness, and friendship. FIRST SECURITY ISLAMI BANK provides its service with utmost care which satisfy caring and friendship need through CSR activities like: scholarship programs, donation to child Ilfare, poor people etc.

### Esteem Needs

Esteem needs are of two types: internal esteem needs (self- respect, confidence, competence, achievement and freedom) and external esteem needs (recognition, attention and admire). Customer focus services allow FIRST SECURITY ISLAMI BANK to satisfy the need of confidence and freedom. Customer can freely choose any service they want.

### Self-actualization Needs

It includes the need for growth and self-contentment. It also includes desire for gaining more knowledge, social- service, creativity and being aesthetic. The self- actualization needs are never fully satiable. As an individual grows psychologically, opportunities keep cropping up. FIRST SECURITY ISLAMI BANK always tries to find out the utmost need of the customers. As a result, FSIBL has set up Wide Area Network through Radio, Fiber-Optics & other available



communication modes to provide any branch banking services to their customers. Customer of one Branch is now able to deposit and withdraw money at any of their branches. All the branches are included in their Wide Area Network. No TT/DD or cash carrying will be necessary.

In every aspect, FIRST SECURITY ISLAMI BANK's business focuses on 'delivering a superior customer experience' and customized value proposition. As a result, FIRST SECURITY ISLAMI BANK try to apply sophisticated technology to facilitate customers to check exactly whether they can easily do financial transactions at any time anywhere to satisfy self-actualization need.

## Chapter - 04

# CUSTOMER EXPECTATIONS OF SERVICES

Customer expectation is customer beliefs about service delivery. It is the standard against which service performance is judged. Customers compare their expectation with perception to evaluate the actual quality of service. FIRST SECURITY ISLAMI BANK has a strong market attendance because of its strong points are based on attracting and developing good quality staff who are able to exceed customer expectations so that customers stay loyal to the business. However, customer expectations are always changing and this is something FIRST SECURITY ISLAMI BANK should consider. In this regard there are certain factors to focus on.

### Sources of desired service expectation

There are two important factors which influence that desired level of service. These factors are:

- **Personal needs:** Personal needs are those states which are essential to physical and psychological aspects of human being. These factors give a shape of what customer's desire in service. Personal needs can fall into many categories including physical, social, psychological, and functional. In the report when I asked the customers about the kind of service they expect from FIRST SECURITY ISLAMI BANK BD based on the need theory of Maslow most of the people replied that they want high social support and dependency/reliable needs from FIRST SECURITY ISLAMI BANK service.
- **Lasting service intensifiers:** Lasting service intensifiers refer to the stable service factors that allow the customer to have a higher understanding of the service (Liu, et al., 2000). This may happen when customer expectations are driven by another person or group of people.

As a banking service provider in our country most of the customers expect that First Security Islami Bank to improve their service and also service quality.

### Sources of adequate service expectation

A different set of determinants affect adequate service, the level of service the customer finds acceptance. There are five factors that influence adequate service.

- **Temporary service intensifier:** This is a short-term individual factor that makes a consumer want more of the service. Several questions have been asked regarding these individual factors. One is FIRST SECURITY ISLAMI BANK service promises on time delivery. The majority of the customers said that FIRST SECURITY ISLAMI BANK maintains their promised delivery time.
- **Perceived service alternatives:** It means other service provider from whom the customer can obtain service. I asked few existing customers about perceived service alternatives. Most of customers replied that FIRST SECURITY ISLAMI BANK has strong geographical coverage and the location of this bank is easy to find.
- **Customer's self-perceived service role:** Degree to which customers have an influence on the level of service they receive. In case of FIRST SECURITY ISLAMI BANK customers can't influence the level of service they receive.



- **Situational factors:** Service performance conditions that customer view as beyond the control of the service provider. When I asked few customers of the bank about the action of FSIBL’s ability to understand customer queries regarding the service provided by the bank. Majority of them answered me bank staffs provide good response about the service.
- **Predicted service:** It means the level of service that customers believe they are likely to get. Customers of FIRST SECURITY ISLAMI BANK do not draw conclusions about the overall service quality of bank from any service like an individual transaction.

### Services encounter expectations versus overall service expectations

Here service encounter means communication or interaction with company which can be direct, physical or using any media can be overall service expectation means the broad range of services a customer can be get from the bank.

When I asked whether “Customer are satisfied with the full delivery process of the service or not” few people said that they are not satisfied with payment process of Fixed Deposit systems of FIRST SECURITY ISLAMI BANK and majority said that they are satisfied or neutral about these processes.

### Sources of both desired and predicted services expectations

This section discusses one internal and three external factors that influence both desired service and predicted service expectations. These are described below:

- **Explicit service promises:** It would be personal when bank staffs from the bank directly communicate with people/ respected clients. It would be non-personal when bank communicates using Face book page, print media, brochures or other written publications. FIRST SECURITY ISLAMI BANK uses both personal and non-personal statements. The official’s employees of FIRST SECURITY ISLAMI BANK make the personal statements. Through Face book sites, brochures, and other written publications FIRST SECURITY ISLAMI BANK make non personal statements.
- **Implicit service promises:** These promises are service related cues other than explicit promises that lead to inferences about what the service should and will be like. These quality cues are dominated by price and the tangibles associated with the service. As FIRST SECURITY ISLAMI BANK is a business organization there is a price associated with each of their services. As it is a Shariah based Islami bank most of the people of

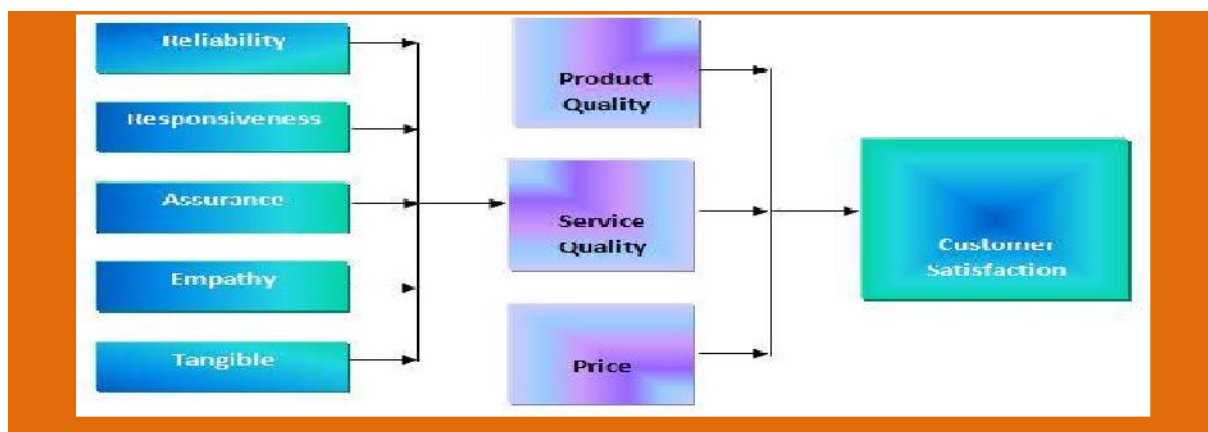
Bangladesh thinks that the charge for their products or services are accurate and that the customers are satisfied with these products (Cheque book issue/ reissue, Debit Card charge per transactions, etc.)

- **Word of Mouth:** Importance of word of mouth communication in shaping expectations of service is ill documented. In Bangladesh most of people know about FIRST SECURITY ISLAMI BANK from family members, friends and neighbors. So for FIRST SECURITY ISLAMI BANK word of mouth plays a very important role for expected and desired service.
- **Past experience:** A customer's previous service experience influences his/her future service expectations, and determines if they will go back to the service provider. In the case of FIRST SECURITY ISLAMI BANK I talked with existing customers, and they appeared to indicate a positive service experience.

## Chapter - 05

# CUSTOMER PERCEPTION OF SERVICES

Perception is an image that is created in the customers minds through reference and actual consumption of this service. Each individual interprets the meaning of stimulus in a manner consistent with his/her own unique biases, needs and expectations. The Three stages of perception are exposure, attention and interpretation. In this regard, they must focus on the five dimensions of service quality: Reliability, Responsiveness, Assurance, Empathy and Tangibles.



*Figure: Customer Perception of Service*

### **Reliability:**

It is statistical term which is based on past experience. It means ability to perform the promised service dependably and accurately.

After observing the bank data I found that majority of the customers believe that FIRST SECURITY ISLAMI BANK is reliable but not exceptional when it comes to service delivery. FIRST SECURITY ISLAMI BANK maintains customer data bases on the basis of which they manage customer requirement.

### **Responsiveness:**

It means willingness to help customer and provide prompt service. A majority of customers said that they feel the same and few customers said that they are having much better feelings regarding willingness to help of FIRST SECURITY ISLAMI BANK.

### **Assurance:**

Assurance means Referrals, to refer others to take this service. Consumers are giving assurance to others to take this service with referral. It is the ability to inspire trust and confidence.

As it is a Islamic Bank & most of the people of Bangladesh are Muslims, so the customers of the bank recommend the service to others. These customers also said this type of banking is helpful, dependable. So, they are giving assurance to others, to take the service. So, Assurance is high for FIRST SECURITY ISLAMI BANK.

### **Empathy:**

Empathy means understanding customer situation, caring, individualized attention which is given to customers from a company.



Majority of the customer said that FIRST SECURITY ISLAMI BANK took neutral position  
Service Marketing Analysis on First Security Islami Bank Ltd.

regarding customers' thinking and feelings, which indicates a not so good level of empathy. However, they believe that people are their asset, and so the service are flexible so that clients get service at any time.

**Tangibles:**

Tangible refer to the appearance of physical facilities, equipment, personnel and written materials.



 <p><b>প্রজন্ম</b></p> <p>মুদারাবা নিউ জেনারেশন সঞ্চয়ী হিসাব যাকে একটি সমে দ্বি এটিএম কার্ড</p>	<p><b>Special Schemes for the College &amp; University going Students</b></p>	 <p><b>উদ্দীপন</b></p> <p>মুদারাবা নিউ জেনারেশন ডিপোজিট স্কিম উদ্দীপন অফ অসুনিহতগে</p>
<ol style="list-style-type: none"> <li>1. Account Opening: 200 Taka</li> <li>2. Free ATM Card</li> <li>3. Free Cheque Book</li> <li>4. 8% (Provisional) Profit on monthly average balance</li> <li>5. No Account Maintenance Fees</li> </ol>		<ol style="list-style-type: none"> <li>1. Monthly Installment: Any Amount from 200/- to 20,000/-</li> <li>2. Tenure: 1 to 8 Years</li> <li>3. Attractive Profit</li> <li>4. 1 Lac Taka Free Life Insurance Facility</li> </ol>

Few of the customers agreed that FIRST SECURITY ISLAMI BANK’S location is not that easy to find while majority of them told that they easily find the location. In this aspect I can say overall tangible services of FSIBL are not enough for customers.

## **Chapter – 06**

# **LISTENING TO CUSTOMERS THROUGH RESEARCH**

### **Objective of the research on FIRST SECURITY ISLAMI BANK:**

There are basic (ten) 10 research objectives for service sectors. Among all the objectives the main objective of my research is to assess gaps between customer expectation and perception. As per the requirement of the internship report on FIRST SECURITY ISLAMI BANK, I talked with some customers of the bank. I talked with two different categorized customers. One category is based on the potential customers who do not still use the service of FIRST SECURITY ISLAMI BANK. I've tried to find out their expectation from the FIRST SECURITY ISLAMI BANK. Another category, I've chosen, is based on the existing consumers of FIRST SECURITY ISLAMI BANK. From this I've tried to extract their perception on the service delivery of FIRST SECURITY ISLAMI BANK.

So the basic and prime objective of my research is to find out the gaps between customer expectation and perception. And from our survey report I have successfully assess the required gap.

### **Criteria for the research on FIRST SECURITY ISLAMI BANK:**

There are seven basic criteria for an effective service research program. All the criteria are effectively being maintained for the heavy consumer research that the organization itself who normally conduct the research. I've talked with few customers as per the project requirement.. For example I put some questions based on the expectation and perception of the consumers and I prioritized on some key attributes of FIRST SECURITY ISLAMI BANK on the questionnaire.

### **Feedback of the research and interpretations:**

As I've said before, as per requirement for this project report I've talked with the customers, based on 2 (two) main categories: expectation and perception, to compare the expectation along with the perception of the consumers regarding the service quality of FIRST SECURITY ISLAMI BANK . The main purpose of this was to find out the gap and Service Quality Index for FIRST SECURITY ISLAMI BANK.

For example I've talked with 20 customers. Among these 10 customers are selected for the expectation category who had not taken any kind of service from the FIRST SECURITY ISLAMI BANK yet. The reason behind selecting these 20 is to extract and gather their expectation from FIRST SECURITY ISLAMI BANK.

And the rest 10 customers are chosen for the perception category that has already taken the service from FIRST SECURITY ISLAMI BANK and I tried to find out their actual perception. In the perception section, I mainly tried to assess what customers actually want and what their expectations are from FIRST SECURITY ISLAMI BANK. And for this reason I've asked different types of questions regarding the service charge, service recovery, customer support, product packaging quality, etc. The basic reason for asking these questions is to know what should be the quality of FIRST SECURITY ISLAMI BANK in the eye of customers.

On the other hand in the perception part, I mainly tried to focus on the actual perception of the FIRST SECURITY ISLAMI BANK based on the same attributes so that I can compare the result with the result of expectation. In this section customers Are asked almost the same

questions from expectation part but just in different way and meaning. Also they are requested to share their feelings. From the perception part I actually wanted to know the actual service quality FIRST SECURITY ISLAMI BANK delivered in the eyes of their consumers. However, when I've interpreted the results I've tried to focus on some key issues which are much relevant to my project report.

First, the basic information of FIRST SECURITY ISLAMI BANK consumers generally may gather for their use could be collected through friends/family/relatives/neighbors, Website/internet or other relevant sources. Majority of customers said that they came to know about FIRST SECURITY ISLAMI BANK through friends/family/relatives/neighbors and few said from the Website and internet. This result specifically indicates that the source of information and the issue of awareness are quite dependent on the word-of-mouth communication.

According to the marketing division of FIRST SECURITY ISLAMI BANK, they are not currently communicating with their target customers through any other options of TVC, billboard or print ads or others. They try to focus on the Website or online communication to reach their customers. When I went for matching the result with the information I've gathered from the office of FIRST SECURITY ISLAMI BANK, I saw that the result is almost same. However word-of-mouth is a good technique for communicating with the people but it has some bad side as well. If FIRST SECURITY ISLAMI BANK is able to keep their promises and meet the expectations of the consumers then it's ok. But in case, if things go wrong then it would be a disaster for them and the customers who are dissatisfied will discourage others to take the service of FIRST SECURITY ISLAMI BANK.

However, when I asked customers about their first impression, regarding the service of the FIRST SECURITY ISLAMI BANK, majority of them said that the expected service should be somewhat positive and neutral respectively and few stated that the service should be very positive. But from the perception part, (in terms of the quality), the maximum customers go with the option of high quality service. This outcome is really tremendous for FIRST SECURITY ISLAMI BANK as they are able to meet the expectation in terms of quality because it's really tough for the organization to hear such high quality precise of service from the customers.

Again when I asked the question to the customer about the expectation regarding the quick response of customer service representative to handle customers' queries, maximum of them stated that FIRST SECURITY ISLAMI BANK or the representatives might be quick regarding response and the expectation from few customer is that response time will be very quick. And for the same question in the perception, the result is almost same with expectation. Majority of them stated that they strongly agreed and neutral with the question of waiting time for having their questions answered was satisfactory. From this result I can say that may be they are happy but not much satisfied with the response time.

Again, when the issue of service charge came into the point, Majority stated that they expect FIRST SECURITY ISLAMI BANK will offer good and average service charge respectively. And few of them stated the service charge should be excellent. Again the consumers who already took the service from FIRST SECURITY ISLAMI BANK, the result is also almost same with the expectation. Compared with the other available banking services, majority of them stated that FIRST SECURITY ISLAMI BANK is better and much better, respectively.

Whenever I talked about the products & services of FSIBL to our target customer, from both: expectation and perception perspective, the maximum customer are positive. In expectation,



majority stated that their expectation is that the system will be good and excellent, respectively and in the perception, majority is actually satisfied with the products and services. But a few customers of the bank said that they are not satisfied with the products and services.

Service recovery is an important aspect for both of consumers and organizations. FSIBL is able to handle the situation creatively and tactfully and they may even meet the expectations of customers almost successfully. people who do not even take any services from the FSIBL, majority of them believe that their expectations regarding service recovery is FSIBL will charge less money than regular, few of them believe that FSIBL will proactively inform about delivery delay while the expectation is just saying sorry for their failure. But from the result of perception, I've seen that majority said FSIBL apologize for their failure try to give the product or service within a given period of the bank.

From perception regarding resolving the problem, I found out that Majority of the total customer stated that their problem was being resolved by the company or its representative. It is a big positive for FIRST SECURITY ISLAMI BANK and this result clearly indicates that FSIBL is trying hard to keep their promises.

In terms of improving and innovativeness of the service, maximum customers expect that FSIBL will try to improve their services and in perception utmost customer stated that FIRST SECURITY ISLAMI BANK is somewhat innovative.

From the overall survey interpretation I can say that though FIRST SECURITY ISLAMI BANK may not able to meet the customers' expectation in some parts but they are on a good and positive track in some context. But one thing that should be remembered by FIRST SECURITY ISLAMI BANK is that these good and positive responses are limited and can very well change if the promises are not delivered on.

### **Servqual Gap:**

As I have said before, the main purpose of our research is to assess the gap between the expectations and perceptions of the consumers and find out the five dimensions of SQI. For calculating the SERVQUAL GAP of FIRST SECURITY ISLAMI BANK, some related questions Are asked to the respondents on both expectations and perceptions part based on the following dimensions: reliability, responsiveness, assurance, empathy and tangibles. From the outcome of our survey I assess the following SERVQUAL GAP.

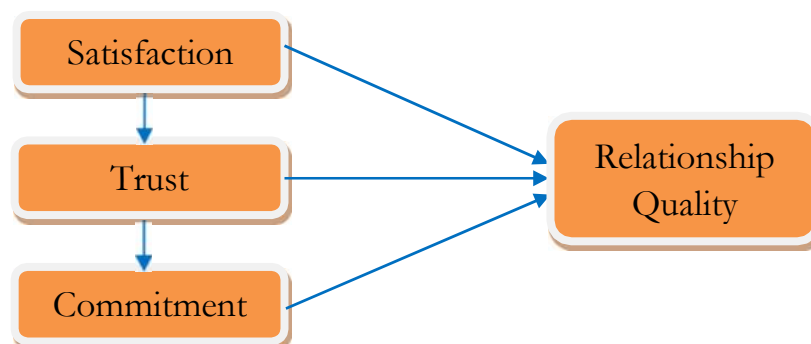
From the above discussion I have tried to extract some findings which I have described in our findings part. But here in a short summary I can say that-

- The overall gap for overall service is somewhat negative.
- From the part of reliability I can say that the FIRST SECURITY ISLAMI BANK is able to meet the expectation of the customers and it's a big positive issue for them. But for other section the FIRST SECURITY ISLAMI BANK is not able to meet the expectation of the customers.
- From the above discussion regarding ability to locate FIRST SECURITY ISLAMI BANK I found that maximum customers go with average and same number of respondents also go with excellent.

## Chapter – 07

# BUILDING CUSTOMER RELATIONSHIP

Relationship marketing is defined as a form of marketing development tool from direct response marketing campaign which emphasizes customer retention and satisfaction rather than focus on the sales transaction.



*Fig 18: Universal Model of Relationship Marketing*

The more satisfaction of consumers on a service tends to lead them to have trust on the firm. The more trust leads them to become the loyal consumers to this service.

As a service provider company, FIRST SECURITY ISLAMIC BANK is completely dedicated and committed to understanding and fulfilling consumers' needs and doing whatever it takes to provide customers with highest level of reliability and service quality. According to the top management of FIRST SECURITY ISLAMIC BANK it has already decided to focus on the acquiring customers, satisfying them and retaining them through creating professional and in some context personal relations rather than focusing on just the sales volume.

According to the HR Manager of FSIBL, they've already organized different training programs for the employees regarding how to make and maintain very smooth and effective relations with the customers. In this regard it would appear that FIRST SECURITY ISLAMIC BANK has been successful in achieving the following through relationship marketing.

### **Attract New Customer:**

As I've previously said that FIRST SECURITY ISLAMIC BANK basically depends on the word-of-mouth communication strategy to attract new customers. But besides this side they have strong base of sales employee also. Their main duty is to attract new customers through making relations. And for this reason they frequently visit the potential customers and try to convince them to take the service from FIRST SECURITY ISLAMIC BANK. To attract new customers, they sometimes offer different promotional tools like: insurance facility with account opening.

### **Customers Satisfaction:**

Happy customers are loyal customers and they offer positive word of mouth advertising which can be invaluable. Customer satisfaction is the primary goal of relationship marketing which is the surest way to improve the bottom line. To satisfy the customers FIRST SECURITY ISLAMIC BANK has some specific dimensions like the service charge, after sales support, easy service recovery process, etc. Their service charge is more competitive than others. Their after

sales support was fantastic. After taking the service from FIRST SECURITY ISLAMI BANK the customers can check their money transaction through online or by visiting the nearest branch.

### **Build Trust on Consumers' Mind:**

FIRST SECURITY ISLAMI BANK is one of the biggest names in the banking sector all over Bangladesh. They have been successfully operating their business in the Bangladesh since 1999. Over the period of this time they have successfully established a brand image in the mind of customers. This brand image builds trust in consumers' minds. Beside this they offer online facilities to consumers about their account, money etc. Their recovery options also make them trustworthy to the consumers.

### **Promise Fulfillment:**

Promise fulfillment is one of the most important dimensions of relationship marketing. Just making promises is not enough, but delivering them by action is also very important. FIRST SECURITY ISLAMI BANK is not an organization who just not only promises to the customers but also keeps it with cent percent honesty. According to the marketing manager of FIRST SECURITY ISLAMI BANK, they promise to the consumers that the money they (customers) transact will be delivered to a specific location within a specific time. Unless in any case of natural and man-made disaster, it is delivered within the promise time. Otherwise, they compensate against any legal and logical complaints. FIRST SECURITY ISLAMI BANK also keeps promises about their recovery option. Whatever FIRST SECURITY ISLAMI BANK promises against the compromised service, they keep the promise.

### **Retaining Customers:**

Relationship marketing helps to retain the existing customers who already want to leave the firm. According to FIRST SECURITY ISLAMI BANK retaining process of the existing customers of FIRST SECURITY ISLAMI BANK is confidential. However they stated a process of retaining like first they find out why the customers left the firm through some internal and external research. Then, they try to contact these customers and try to negotiate with them to persuade them to avail the services of the bank like they used to.

## **Chapter – 08**

### **SERVICE RECOVERY**

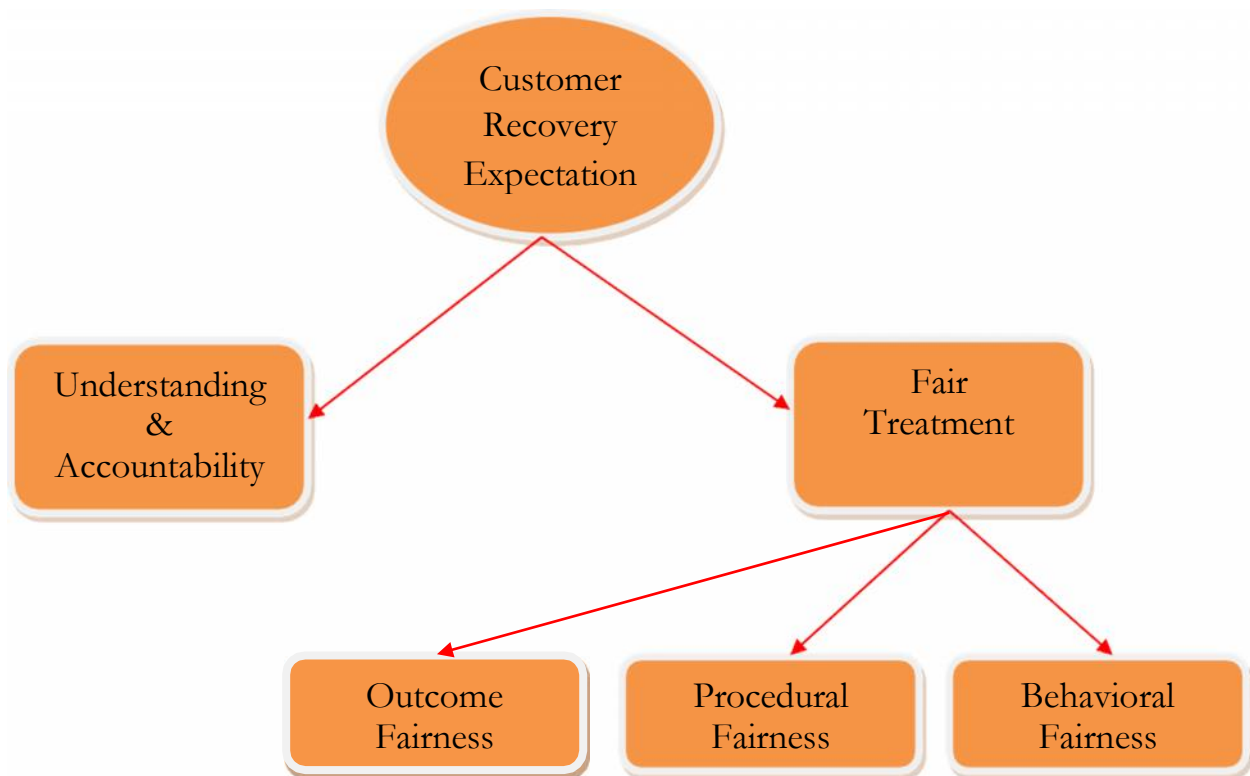
For any kind of business organization, customers are the king. But for any reason if these kings are dissatisfied with these organizations then a disastrous situation will be created for those firms. So, to satisfy the dissatisfied customers there is a term available in service marketing called service recovery. In a simple meaning service recovery refers to the compensation to consumers if any service taken by the consumers is being compromised. It looks like a very easy process but honestly this is one of the greatest challenges for any service provider to design a method for proper service recovery. It is more important for the service provider that they should focus on service recovery rather than ensuring the flawless service because it has been proven that it is technically not possible to satisfy all the customers no matter how hard one tries. Additionally, while delivering service, there is always a very high risk of the service being compromised. Keeping that in mind it is essential to focus on the measure which will be taken to compensate the customer when the service is being compromised.

While any kinds of services taken by consumers are being compromised the first reaction from the consumers is anger. The angry customers may leave the organization if the problem is not being resolved. There are basically six ways of getting angry customers to calm down with success. Those ways are to apologize, kill their anger/frustration by using diplomacy, go into computer mode, transfer or shift the responsibility to the company, show empathy and last one is to show appreciation. In this case, FIRST SECURITY ISLAMI BANK uses ways to apologize, show empathy and show appreciation. According to a marketing executive of FIRST SECURITY ISLAMI BANK, if any kind of problem arises from the customer regarding service failure they first apologize to him and feel and show some empathy for the problem and lastly they appreciate him/her for coming forward.

#### **Customer Recovery Expectation:**

When any service is being compromised the consumer expects that the service firm will understand the situation of the customer and that it will take the accountability and responsibility for the loss.

When I talked with few customers, I saw that majority of their taken services Are being damaged or compromised by FIRST SECURITY ISLAMI BANK. It refers that the service failure rate is high. And this situation is natural because in the overall banking service industry the service failure rate is naturally high. But when I saw the potion of recovery I found out that majority of the customer said that their problem was being resolved by the representatives of the company. This number clearly indicates that the FIRST SECURITY ISLAMI BANK understands the problematic situation of the consumers and they take responsibility for the losses without any hesitation.



***Fig 18: Universal Model of Relationship Marketing***

In terms of fair treatment, FIRST SECURITY ISLAMI BANK also plays a very effective role. Fair treatment is the combination of three terms named actual recovery, procedural fairness and behavioral fairness. Majority of the customer stated that FIRST SECURITY ISLAMI BANK apologizes for their loss and gives a refund of the same amount of the loss. It's a big favor for the consumers. Few customers said FIRST SECURITY ISLAMI BANK gives discount for the next delivery for the loss. This overall scenario clearly indicates that the FIRST SECURITY ISLAMI BANK heavily practices the fair outcome of the losses of customers.

Then the procedural fairness of getting the recovery is very easy. FIRST SECURITY ISLAMI BANK tries to resolve the problem immediately or within 2-4 days. So I can say that without very easy procedure it cannot be possible to resolve the problem within very short period of time.

And finally in case of behavioral fairness, the manager behave like a cordial and accountable person. The service representative is also very knowledgeable here. That indicates that the service representatives are also very careful.

### **Service Recovery Strategies:**

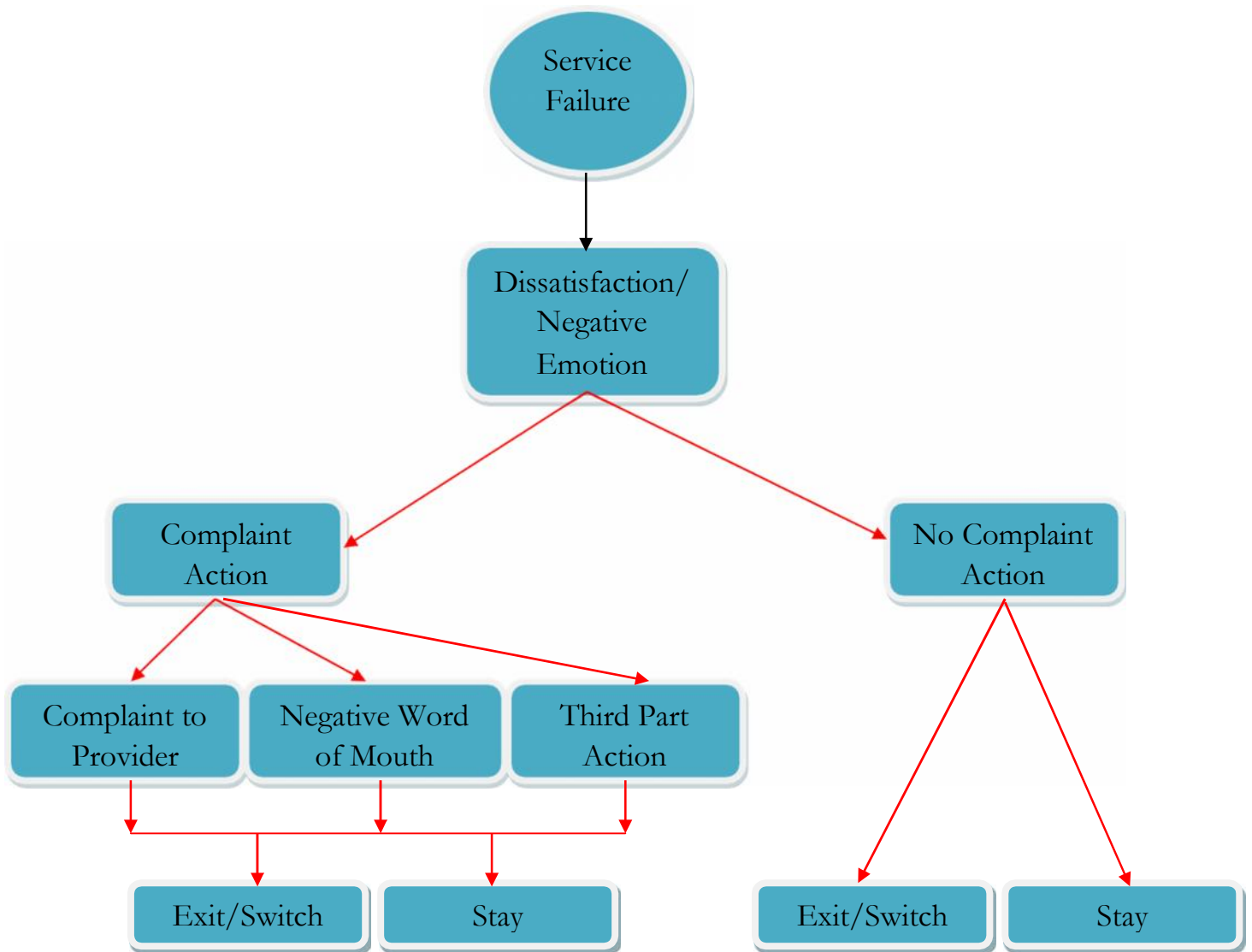
FIRST SECURITY ISLAMI BANK is one of the largest Islamic banking network in the banking service industry. They are very conscious about customer satisfaction and try cent percent to ensure service delivery. However, sometimes service failure happened here also. To recover the service failure FIRST SECURITY ISLAMI BANK has service recovery strategy. By following these strategies FIRST SECURITY ISLAMI BANK try to resolve the problem.

- **Make the Service Fail Safe:** The best strategy for service recovery is to make the service fail safe. FIRST SECURITY ISLAMI BANK tries their best to make this service very effective and efficient for the customer so that any kind of failing situation does not arise. However if any service is compromised then FIRST SECURITY ISLAMI BANK's complaints resolving department find out the problem and help the consumers to go to the concerned department. Then the concerned department hear the problem of the consumers and within a very short time the employees try to resolve the problem if the problem is legal and logical.
- **Encourage and Track Complaints:** FIRST SECURITY ISLAMI BANK always encourages the consumers to say about their problem as they are concerned about the consumers' satisfactions. For encouraging and tracking complaints FIRST SECURITY ISLAMI BANK often arrange different program with the customers and try to extract the inner words form the consumers' mind to know the actual scenario of the firm.
- **Act Quickly:** Majority of the customers said that FIRST SECURITY ISLAMI BANK try to resolve their problem immediately and few stated less than a day and very said about 2-4 days. These numbers clearly indicate that FIRST SECURITY ISLAMI BANK act quickly.
- **Provide Adequate Explanation:** Whatever situation arises regarding service failure FIRST SECURITY ISLAMI BANK first gives proper and adequate explanations to the consumers for the loss. Then they go for the service recovery process. However sometimes for different conditions, rules and regulations they cannot provide any compensation to the consumers. In these situations they try to make them understandable the situation of the company by giving them proper explanation.
- **Treat Customers Fairly:** To some extent service failure means unfair treatment of customer and justice should be restored from customer perspective. But in case of FIRST SECURITY ISLAMI BANK, they always treat all the consumers in the same manner. Even FIRST SECURITY ISLAMI BANK organizes different training programs for their employees on behavior with consumers.
- **Learn From the Recovery Experience:** this is the most important strategy for the service recovery because in service organizations service failure occurs. FIRST SECURITY ISLAMI BANK always try to learn from each service failure and try to implement some new ideas regarding the service delivery so that the same types of service failure do not happen again.

As far as FIRST SECURITY ISLAMI BANK is concerned, they are dealing with such a critical service where the chances of service failure are much higher than any other service. Not delivering product on promised date, poor packaging of the product and God forbid if they lose the product, the consequences are unimaginable. That's why for an organization like FIRST SECURITY ISLAMI BANK, service recovery strategies are just as important as providing flawless service.

### **Consumers' Response toward Service Failure:**

As I have said before, when a service taken from any service firm is compromised then the service recovery option comes into play. In case of service failure, two types of reactions may appear into consumers mind. I am just trying to relate this theory with the case of FIRST SECURITY ISLAMI BANK.



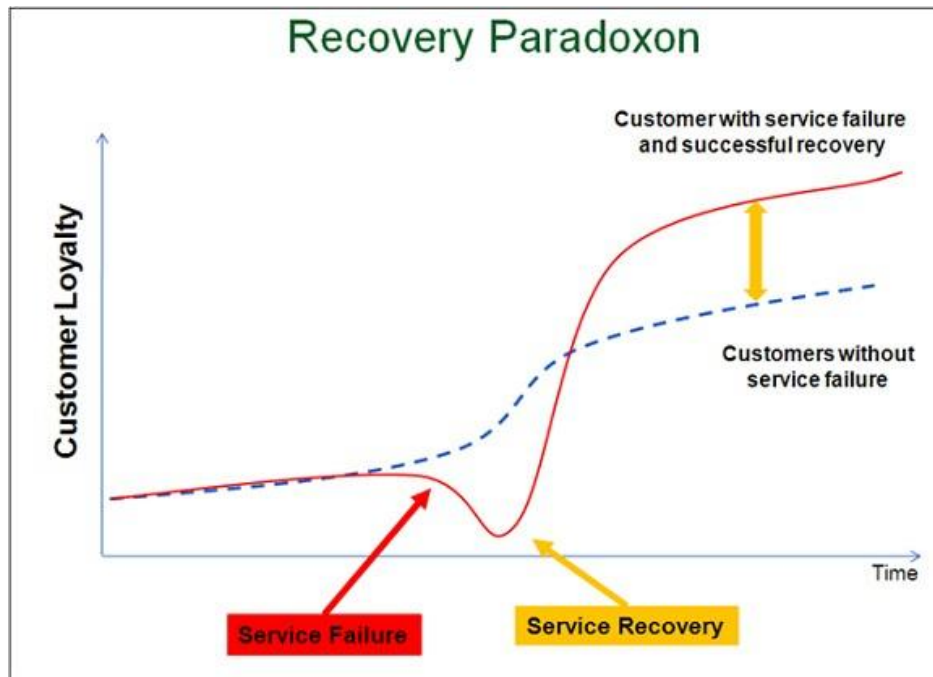
***Fig 19: Consumers' Response toward Service Failure***

For example, if any services taken from FIRST SECURITY ISLAMIC BANK by a consumer is compromised then the dissatisfaction or negative emotion is created in consumers mind about the service delivery of FIRST SECURITY ISLAMIC BANK. If the consumer does not submit any complaint against his loss then there has been a major chance of leaving or switching from the FIRST SECURITY ISLAMIC BANK without notifying them. On the other hand, the consumer may stay with FIRST SECURITY ISLAMIC BANK but the chances of staying in this situation are rare in this industry because there are other competitors in this sector who will take care of him better than FIRST SECURITY ISLAMIC BANK.

On the contrary, the consumer may complain about his loss directly to the providers and demand compensation from them. If the consumer starts negative word-of-mouth communication along with the complaints then the situation will be dangerous for the firm. In this case the consumer may exit the firm. Another option could be the third party action. The consumer may go to the court for his compensation if the loss is much bigger.

## Service Recovery Paradox:

The service recovery paradox (SRP) is a situation in which a customer thinks more highly of a company after the company has corrected a problem with their service, compared to how he or she would regard the company if non-faulty service had been provided. The main reason behind this thinking is that successful recovery of a faulty service leads to increased assurance and confidence among customers.



*Fig 20: Service Recovery Paradox*

As FIRST SECURITY ISLAMI BANK is a service provider firm so there is a high chance of service failure. For the service failure, FIRST SECURITY ISLAMI BANK has a system or process of the recovery. I've seen that maximum customers gather their information through word-of-mouth communication. FIRST SECURITY ISLAMI BANK mostly communicates with its customers through the same channels. So, I can say that if any customer does not get the proper recovery from the firm for his loss then he will start the negative word-of-mouth. In this situation the service recovery paradox may provide FIRST SECURITY ISLAMI BANK with better recovery option.

SITUATION 1: For example, a customer used the service of FIRST SECURITY ISLAMI BANK to send some money to his friends in USA within 3 days. FIRST SECURITY ISLAMI BANK successfully kept the promise by delivering the product within 3 days. This is a normal situation and the customer may be happy about the delivery on their promise.

SITUATION 2: For example, a customer used the service of FIRST SECURITY ISLAMI BANK to send his money to his friends in USA within 3 days. But, in case of 3 days it took 4 days to send to USA due to unavoidable circumstances. Then the customer called FIRST SECURITY ISLAMI BANK office and the representative said politely 'SORRY' to the customer and gave him a proper explanation. After that, the FIRST SECURITY ISLAMI BANK gave him a special offer for recovering the loss like he can send any kind of parcel with 50% discount for the next 3 times. Now the situation is different from situation 1.



The customer in situation 2 is much happier than the person in situation 1. Because in service sector if anyone is able to keep his promise with the customer then it's good and fantastic and the customers become happy with the firm. But if any service is compromised and the customers get the full support from the firm and the successful recovery for his loss then the consumers will be happier than the happy customer. But the noted point is that there are lots of debates available regarding this theory.

## Chapter – 09

# SERVICE DEVELOPMENT AND DESIGN

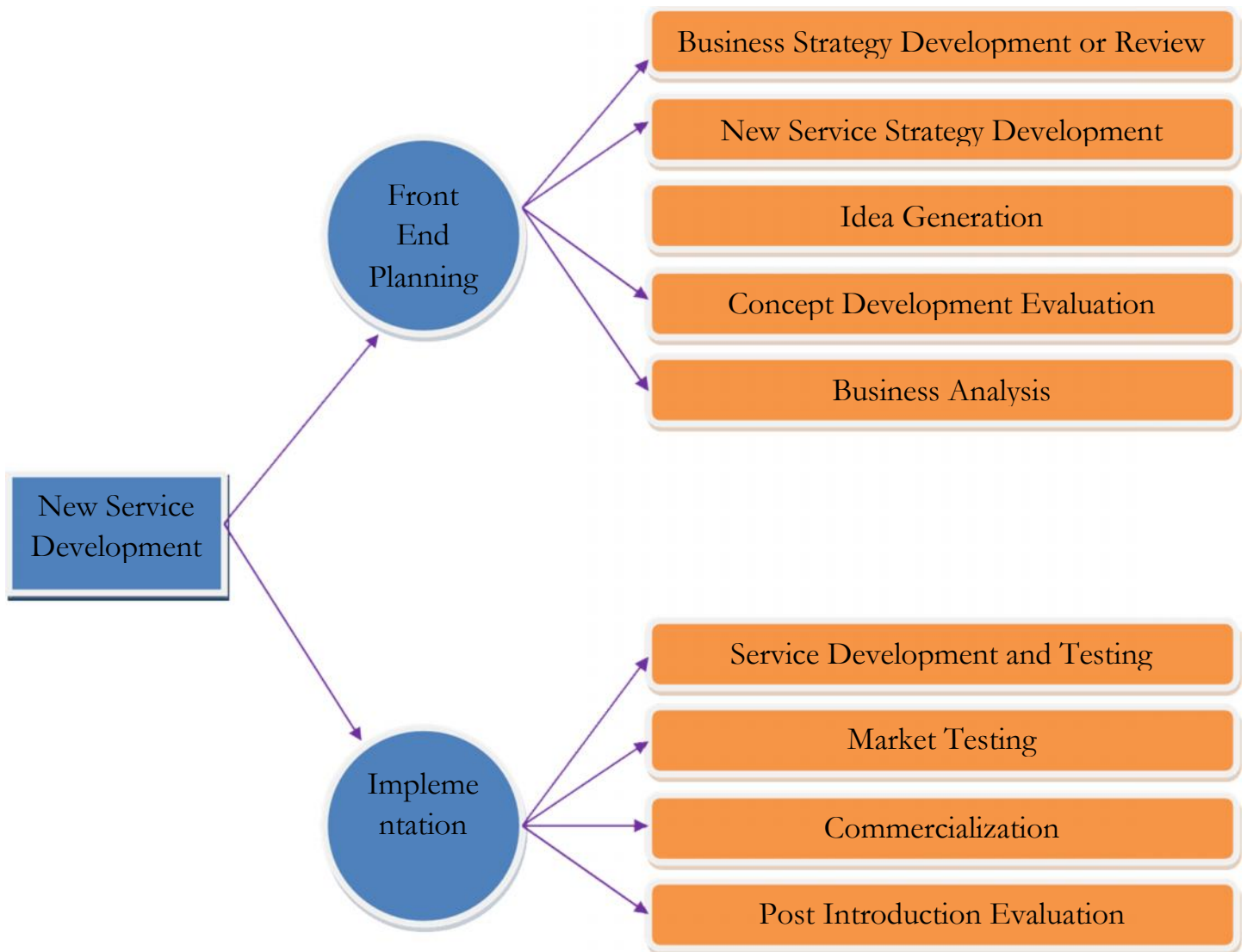
Service design and development is one of the core important sectors in service marketing. It's not easy to develop and design a new service in the related service sectors. History says billions of dollars had been spent for developing a new service but the projects never reached a successful outcome. And of course for the banking industry it's tougher than any other industry to develop a new service.

However the FIRST SECURITY ISLAMI BANK also tried before and still trying to design a new service in banking sector. There are six types of new service available in the service industry. I am trying to relate these types with our project on FIRST SECURITY ISLAMI BANK.

- **Major or Radical Innovation:** Basically it's not impossible to create a new major service or a radical innovative service product. But honestly it relates with money, people, experience and above all being brave and looking for opportunity. Because, if the project fails then all the related issues with the project will face difficult situation. In case of FIRST SECURITY ISLAMI BANK the situation is not different but they try to innovate something different which is not available in the market through their R&D department.
- **Start up Business:** It relates with the new geographical area coverage by the bank. FIRST SECURITY ISLAMI BANK has expanded its business in 'Shafipur, Gazipur' district in October 2007 where there was no other banking service available at that time. For FIRST SECURITY ISLAMI BANK it's a new start up business in 'Gazipur' district.
- **New Services for Currently Served Market:** This factor is quite related with the introduction of new service for the currently served market at a same service line. FIRST SECURITY ISLAMI BANK is going to launch credit card opportunity for the existing customers and it's a new service for them.
- **Service Line Extension:** It's related with the establishment of various services related with the same category service. FIRST SECURITY ISLAMI BANK introduced a new service of account opening through mobile (online) for their consumers.
- **Service Improvement:** Service improvement refers to the numerical improvements of any service. Before FIRST SECURITY ISLAMI BANK took 3 days to encash a FDR. But now it is taking only 1 day for encashing a FDR.
- **Style Change:** It's very difficult to change the style and design the service for any service provider because the service is invisible. But it can be possible to change the way of delivering the service, change the design of the infrastructure etc. FIRST SECURITY ISLAMI BANK changes the decoration of the outlook of outlet frequently. They change the outlook of their Website sometimes. They also changed the outlook of cash counter & giving service through token system.

### **New Service Development Process:**

There are lots of structured and unstructured ways of developing a new service. Among all the theories of developing new service the best and the most certified way is the following.



**Fig 21: New Service Development Process**

FIRST SECURITY ISLAMIC BANK does not follow this process to develop any new service. If any kind of service is needed to be developed the authority of this firm in the head office has the power only to decide about it. And especially for any branch if any service is needed to be developed the zonal head office authority talk with the authority of the head office and decide to launch the service. After testing for certain period if the new service is not being financially profitable they just close the project. Any kind of formal review is not needed to certify the service. However, Bangladesh Bank monetary board regulate and monitor banking industry and alike other local and international banks in Bangladesh.

Due to limitation of time, I wasn't able to gather as much information as I would've like to regarding new service development process at FIRST SECURITY ISLAMIC BANK. However, as this is an internship report I must develop an effective service development process, I have just tried to relate the concept with the theory. This is my own and imagined service development process.

For example FIRST SECURITY ISLAMIC BANK is deciding to develop a new service in Bangladesh. They just need to follow the above steps in the figure.

**Front End Planning:** The front end planning is fully related with the service concept and the people who will work for the project and also the idea generation and the analysis of the concept.

- ✚ **Business Strategy Development and Review:** When just a concept is created by any of the employee of FIRST SECURITY ISLAMI BANK without and research and development then the concept are being presented in front of the board through a memo and explain the board about the importance of the concept.
- ✚ **New Service Strategy Development:** This is one of the most important parts of the new service development. Here the committee forms a team of the people who will work under the project and define some responsibility about the contribution of them. It clearly defines who will do what for developing the concept and how each individual member will do what.
- ✚ **Idea Generation:** The team leader of the project calls for a meeting with all the team members and tries to extract the related idea about the concept from the members. The related idea will be the name of the concept, in which service line category it should be applied to, the price strategy and all other related idea. Then the project leader gives a formal presentation in front of the board without reviewing any other facts except the idea of the concept.
- ✚ **Concept Development Evaluation:** In this part the concept and idea get a proper shape. Here the concept is being reshaped with some extra and brief facts like the new pricing strategy, the core target people and the way of delivering the new service etc. this is the pre step of before checking the board.
- ✚ **Business Analysis:** This is the final step of front end planning. Here the project go through some feasibility test like the financial test, market test, operation test and etc. once the project is passed successfully then it is ready for the communication. As FIRST SECURITY ISLAMI BANK does not go for any other communication option like TVC, Print Ads or any other media so it is quite tough for them to implement the Integrated Marketing Communication. FIRST SECURITY ISLAMI BANK circulates their new project through their Website and leaflet and all other options.

**Implementation:** In this part all activities are related with the service implementation and certification.

- ✚ **Service Development and Testing:** It's all about the core materials related with the project. Banner, festoon, flyers and all other material are needed to develop but in a small sample size. Because still now the project is not successfully completed and all the materials for small target customers.
- ✚ **Market Testing:** In this part the banks staffs go to the core targeted customers with the materials and try to convince them to take the new service. It's about the soft launching of the new service in the core areas where the targeted customers are available and the success rate is being determined.
- ✚ **Commercialization:** In this part FIRST SECURITY ISLAMI BANK completely launched the project among the big group of target customers. This is for a time of six months.

- ✚ **Post Introduction Evaluation:** This is the final step of completing the project successfully. All the report that Are collected from the commercialization and the overall documents of the project have to be submitted to the high authority in the main head office once again and the License Issuing Authority in Bangladesh. Once they approve the project, FIRST SECURITY ISLAMI BANK successfully transforms the concept in to the new service.

## Chapter – 10

# INTEGRATED MARKETING COMMUNICATION

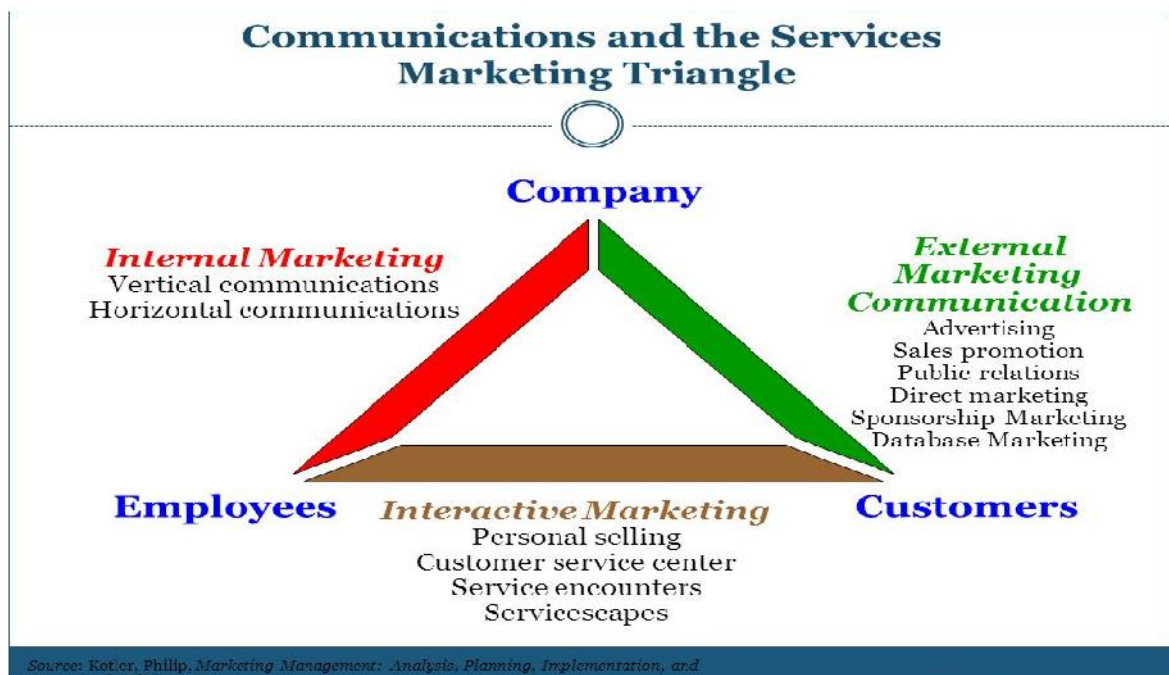
Integrated Marketing Communication (IMC) is a communications strategy used by service providers, which integrates all relevant media and communications channel to establish a uniform message in the mind of the customer, within a specific time period. The three most important components of an IMC are:

- Message – one consistent message that the service provider is trying to communicate to the customers
- Media – the channels and outlets through which the message is to be communicated/delivered to the customer
- Time – the time period over which this communications campaign will last

A successful IMC integrates these three elements to communicate a clear consistent message that is intended to establish the service provider as a viable option in the mind of the customer. Nowadays, customers are bombarded with a wide variety of communication from different sources; therefore, in order to differentiate itself from all the other messages out there, **FIRST SECURITY ISLAMI BANK** must continue its IMC where each communication channel/outlet reinforces its intended message.

### Communications and Service Marketing Triangle

The Service Marketing Triangle is a marketing model that outlines three key categories of marketing and communication; internal marketing, external marketing and interactive marketing. These three stages represent the process by which a company creates, develops and delivers on its message, or “promise” to its customers. As a banking service provider, **FIRST SECURITY ISLAMI BANK** promises to its customer’s money, transactions within a specific time. The promise is the message they want to send the money to their customer.



➤ **Internal Marketing (Enabling the promise)**

Marketing Information to the employees of the company must be accurate, complete & consistent. It involves training, motivational, and teamwork programs. It enables employees to perform the service effectively, and keep up the promise made to the customer. From the study point of view, FIRST SECURITY ISLAMIC BANK has some periodical training program to enhance their employees' efficiency. Their employees are well educated and smart enough to handle the customers and deliver the service as promised

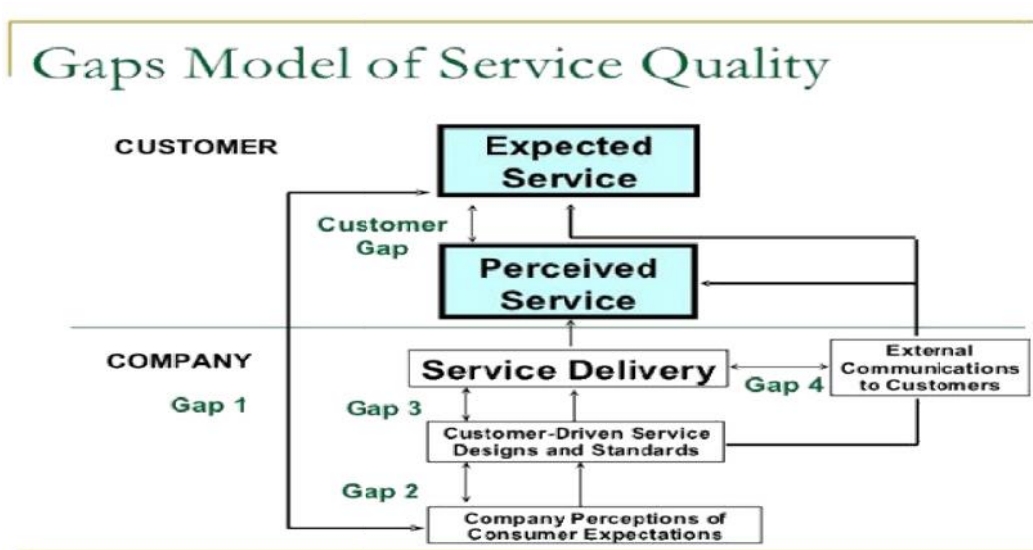
➤ **External Marketing (Making the promise)**

This is marketing to end-users. It includes promotions, advertising, public relations & so on. External marketing is performed to capture the attention of the market. From the study point of view, in external marketing FIRST SECURITY ISLAMIC BANK apparently does not use any tool to reach the customers other than an official Website and Facebook page, Website, LinkedIn, YouTube, Twitter and some of the business magazines. Therefore, they should consider their clients as a marketer or promoter since better services induce customers to promote your product at least by word of mouth. Sometimes Price is used as a promotional tool in the market. Once the awareness spreads to the potential customers, automatically the footfall increases.

➤ **Interactive marketing (Delivering the promise)**

This is real time marketing and known as moment of Truth and Service Encounter. This refers to the decisive moment of interaction between the front-office employees and customers, i.e. delivery of service, servicescapes etc. From the study point of view, in interactive marketing real service delivery takes place. This is the time when employees get in touch with potential customers. This is the most critical and significant step when it comes to assess the quality of services. When I have conducted survey on perception regarding service quality I have got the following data.

**Service Communication Challenge: The Communication GAP**



This is a gap that is created when the service provider fails to perform or deliver to the customer's expected standards. The communication gap arises from a discrepancy in what was communicated to the customer about a service and the actual service that the customer receives.

The communications gap presents a major challenge for any organization running an IMC. It can arise from the following key factors:

➤ **Inadequate management of service promise**

As mentioned before, when a service provider communicates to the customer, it makes a promise to deliver. When it cannot fulfill this promise, it loses the trust of the customer

➤ **Inadequate management of customer expectations**

Customers form certain expectations based on the communication they receive from service providers. However when the actual service experience does not match the customers' expectations, the service provider can expect customer perception of service to shift unfavorably.

➤ **Inadequate customer education**

Service providers have to educate their customers appropriately on how to access and enjoy their services. Lack of education can lead to a negative service experience for the customer, for which they will blame the service provider.

➤ **Inadequate internal marketing communication**

If a service provider expects its employees to provide the best service, it must ensure that they have been properly oriented with its messages, and have bought in to the service philosophy. Inadequate internal marketing can lead to service compromise and lost business.

**Designing an effective Integrated Marketing Communication (IMC) campaign, means overcoming the key challenges discussed below.**

➤ **Managing Service Promise**

In order to deliver on its service promise, a service provider must focus on building a strong brand identity, and coordinating all external communication. FIRST SECURITY ISLAMI BANK has a strong presence in terms of word of mouth marketing/communication. Most the respondents of our survey had come to know of the brand through a friend, family member, colleague or some other acquaintance.

➤ **Managing Customer Expectations**

The 'promise' made by the service provider creates expectations from the customers. FSIBL's service delivery must live up to this promise. Managing the customers' expectations requires the following:

**1. Making realistic promises:**

FIRST SECURITY ISLAMI BANK appears to make realistic promises and deliver on them. The results of the expectations and perceptions survey indicate that for a majority of the respondents, the service perception was quite close to their service expectation for FIRST SECURITY ISLAMI BANK.

**2. Offering Service Guarantee:**

FIRST SECURITY ISLAMI BANK has to provide a guarantee to its customers that their money is secure and that the transactions will be performed safely and on time.



### **3. Offering Choice:**

By offering choice to their customers, FIRST SECURITY ISLAMI BANK can alter their expectations. This might even help in creating more realistic expectations from customers.

#### **➤ Improving Customer Education**

There are certain aspects of FIRST SECURITY ISLAMI BANK service delivery process that are dependent on customers playing certain roles. Customers must therefore be educated on their roles. For FIRST SECURITY ISLAMI BANK, this means properly preparing their customers for using FIRST SECURITY ISLAMI BANK's services. Customers should be properly educated for example, on the proper way to fill in the forms/applications.

#### **➤ Managing Internal Communication**

FIRST SECURITY ISLAMI BANK must improve its vertical and horizontal communication, so that all its employees are on the same page. Internal coordination is necessary to prepare FIRST SECURITY ISLAMI BANK staff so that they are knowledgeable and helpful, and able to provide the best customer service experience.

### **Developing Integrated Marketing Communications Campaign for FIRST SECURITY ISLAMI BANK**

#### **➤ Message:**

1. I transport our customers' goods and documents around the world, with a focus on time-definite and day-definite delivery.
2. I am a global team of experienced people that connects business, markets and people in a sustainable way.
3. To be the most admired bank
4. I have a 'can do' mentality

#### **➤ Media**

1. Face book
2. Website
3. LinkedIn
4. YouTube
5. Twitter
6. Email
7. Business Magazine
8. Corporate News letter
9. Direct visits to corporate clients
10. Sponsorship to various corporate events.

➤ **Time:**

<b>Month</b>	<b>Type of Media</b>
<b>January</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Direct Sales
<b>February</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Direct Sales
<b>March</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Direct Sales
<b>April</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Sponsorship
<b>May</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Sponsorship
<b>June</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Sponsorship
<b>July</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Corporate Magazine
<b>August</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Corporate Magazine
<b>September</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Corporate Magazine
<b>October</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Corporate Magazine, Direct Sales
<b>November</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Corporate Magazine, Direct Sales
<b>December</b>	Facebook, LinkedIn, Website, Youtube, Twitter, Emails, Business Magazine, Corporate Magazine, Direct Sales

## WAY FORWARD

- FIRST SECURITY ISLAMI BANK 's market research is only getting a certain group of target buyers' opinions rather than a broad sample so they are not really carrying out an effective market research
- Sometimes FIRST SECURITY ISLAMI BANK fails to keep promise on delivery time. In some cases, FIRST SECURITY ISLAMI BANK 1 or 2 days more than the mentioned delivery time to the customer.
- FIRST SECURITY ISLAMI BANK may require supplementary skills like **Persuasion Skills, Willingness to learn and Tenacity skills ( with red color: see the gap- 03)**
- FIRST SECURITY ISLAMI BANK doesn't go for aggressive promotion or campaigns
- FIRST SECURITY ISLAMI BANK heavily depends on the word-of-communication method.
- From the survey on the response time I found that the customer service representative is knowledgeable but not up to the mark because a big proportion of our respondents stated that they somewhat agree and are neutral regarding this issue.
- For research and develop a new service FIRST SECURITY ISLAMI BANK does not follow the thumb rule of new service development process.
- IMC Program is not up to the mark. They have huge lacking in the communication strategy portion.

## CONCLUSION

Customer loyalty is an important factor influencing the long term survival and success of a business. This is particularly true in the service industry, where the human element is very important. FIRST SECURITY ISLAMI BANK has been in business for 17 years. During this time, it has established a reputation as a reliable service provider. While FIRST SECURITY ISLAMI BANK has been successful, customer expectations are always changing and evolving. In order to remain relevant, FIRST SECURITY ISLAMI BANK must also adapt with the times and learn to evolve. This means an increased focus on customer satisfaction and service improvement.

As FIRST SECURITY ISLAMI BANK moves forward, some key points it might consider include:

- Sometimes FIRST SECURITY ISLAMI BANK fails to keep promise on delivery time. In some cases, FIRST SECURITY ISLAMI BANK 1 or 2 days more than the mentioned delivery time to the customer. In this case, I would suggest FIRST SECURITY ISLAMI BANK to promise according to the actual delivery time. It would further enhance consumers' trust on FIRST SECURITY ISLAMI BANK.
- FIRST SECURITY ISLAMI BANK should go for Research in the market that is to be conducted locally and it should be face to face with the local clients. It would make FIRST SECURITY ISLAMI BANK Understand customer's expectations even better. The gap between the Management's perception and customer's expectation can be reduced this way.
- Upon discussion with FIRST SECURITY ISLAMI BANK; I found the service recovery procedure from FIRST SECURITY ISLAMI BANK is easy but recovery is given only when customer asks for it. I think, whenever FIRST SECURITY ISLAMI BANK is at fault; it should admit it to its client and talk about service recovery which can be settled quickly with small hassle from the client's side.
- Although FIRST SECURITY ISLAMI BANK goes for mass promotion, but the promotions they have are not clear about what service they are offering. The management of FIRST SECURITY ISLAMI BANK should take it into consideration.
- Improve External communication – Good External communication is essential in presenting a united image in front of the customer, and in providing them with the best possible service.
- They should boost up their social networking communication and advertise themselves through different media so that more people know about them.
- A unique experience to the customers should be provided as it would be a way to increase the success. As a result there would be more customers happily using the FIRST SECURITY ISLAMI BANK's services.
- A unique experience to the customers should be provided as it would be a way to increase the success. As a result there would be more customers happily using the services of FIRST SECURITY ISLAMI BANK. It would be a competitive advantage to FIRST SECURITY ISLAMI BANK and hence it could forward itself more in the business market while enhancing its relation with the customers.

- FSIBL should have a review option for their customers which they could add to their official site by software. So that, customers can write their experiences, comments, suggestions for the betterment of the customer service.
- FIRST SECURITY ISLAMI BANK should follow the thumb rule to launch any new service in the market.

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